

FUND SUMMARIES

HOUSING INVESTMENT FUND

FUND OVERVIEW

The Housing Investment Fund (HIF) supports the City's housing initiatives, all of which serve to develop or preserve affordable housing in Portland or help low- and moderate-income individuals to access affordable housing. These programs include the Section 108 loan program, the Risk Mitigation Pool, fee-supported activities (e.g., administration of City limited tax abatements and system development charge waivers) and other PHB programs and activities. . The bureau processes HIF loan activity directly. This includes processing loan disbursements, recording loan receivables and receipting program income associated with loan repayments.

Carryover

Appropriations remaining at the end of the fiscal year are carried over in the fall supplemental budget process of the following fiscal year. The supplemental budget includes obligated carryover, appropriation for projects that have been authorized and budgeted in the prior year, and carryover appropriation for expanded projects or new requests.

Managing Agency

Portland Housing Bureau

SIGNIFICANT CHANGES FROM PRIOR YEAR

The Housing Investment Fund budget is lower in FY 2012-13 for the following reasons:

- Section 108 loan resources will be down in FY 2012-13 as compared to the FY 2011-12 Revised Budget, reflecting the completion of several affordable housing projects. Approximately half of the funds have been expended.
- There is a significant increase in General Fund overhead charges to the fund. This is the result of a change in methodology that focuses primarily on size of budget rather than services provided.
- PHB made a one-time allocation of \$180,000 to Homeownership Programs and Services (HOPS) subrecipient contracts from the HIF in FY 2011-12 after City Council decided not to fund this program with General Fund one-time dollars. The FY 12-13 Requested Budget includes a decision package of \$500,000 General Fund resources to support the program.

Effective with the July 1, 2010 transition of affordable housing operations from PDC to the City, PHB began processing loan activity directly. This includes processing loan disbursements, recording loan receivables and receipting program income associated with loan repayments.

In addition to subfunds for the HMIS match and Risk Mitigation Pool, PHB also established sub-funds in the HIF to track the following:

- Limited tax abatement program fees
- System development charge program fees
- Mortgage Credit Certificate Program

Summary of Fund Budget

	FY 2009-10	FY 2010-11	FY 2011-12	FY 2012-13	FY 2012-13
	Year-End	Year-End	Revised	Requested	Requested
	Actuals	Actuals	Budget	Without DP's	Budget
Housing Investment Fund					
Expenditures					
Unappropriated Fund Balance	3,088,123	0	0	0	0
Personal Services	296,416	739,063	727,370	891,134	891,134
External Materials and Services	7,490,875	5,621,744	9,267,915	7,607,888	7,607,888
Debt Service	5,207,001	12,983	0	0	0
Fund Transfers - Expense	1,220,955	2,139,288	67,666	288,774	288,774
Contingency	0	0	621,221	216,416	216,416
Total Expenditures	17,303,370	8,513,078	10,684,172	9,004,212	9,004,212
Resources					
Budgeted Beginning Fund Balance	2,514,567	0	1,285,595	437,819	437,819
Charges for Services	7,000	323,718	260,800	213,908	213,908
Intergovernmental Revenues	979,498	1,786,098	98,800	138,500	138,500
Interagency Revenue	0	46,248	0	0	0
Fund Transfers - Revenue	0	0	3,855	0	0
Bond and Note Proceeds	7,506,871	4,704,000	8,313,777	8,207,885	8,207,885
Miscellaneous Sources	6,295,434	1,497,216	721,345	6,100	6,100
Total Resources	17,303,370	8,357,280	10,684,172	9,004,212	9,004,212

CDBG GRANT FUND

FUND OVERVIEW

Revenues

The Community Development Block Grant (CDBG) Fund accounts for the City's CDBG entitlement from the United States Department of Housing and Urban Development (HUD), loan repayments, lien payments, revenue generated from CDBG-funded activities, carryover funds from prior years, private leveraged resources, and interest and repayments for float activities.

Structure

This fund is an annual entitlement grant fund that is reimbursed by the federal government for actual expenditures less any program income received. Because requests for reimbursement cannot exceed expenditures less program income, the fund will not have an ending balance. Effective with the affordable housing transition from PDC to PHB, the bureau began processing CDBG loan activity directly. This includes processing loan disbursements, recording loan receivables, and receipting loan repayment program income.

Carryover

Entitlement appropriations remaining at the end of the fiscal year are carried over in the fall supplemental budget process of the following fiscal year. The supplemental budget includes obligated carryover, appropriation for projects that have been authorized and budgeted in the prior year, and carryover appropriation for expanded projects or new requests.

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Portland Housing Bureau

SIGNIFICANT CHANGES FROM PRIOR YEAR

Federal Entitlements

PHB allocated 15% less entitlement funding for the FY 2012-13 Requested Budget than in the FY 2011-12 Adopted, as a result of federal budget reductions.

Summary of Fund Budget

	FY 2009-10 Year-End Actuals	FY 2010-11 Year-End Actuals	FY 2011-12 Revised Budget	FY 2012-13 Requested Without DP's	FY 2012-13 Requested Budget
Community Development Block Grant Fund					
Expenditures					
Unappropriated Fund Balance	1,576,438	0	0	0	0
Personal Services	1,239,070	2,069,619	1,775,863	1,590,049	1,590,049
External Materials and Services	8,925,535	8,626,024	14,342,788	9,277,943	9,277,943
Internal Materials and Services	247,185	1,870,304	126,095	55,984	55,984
Debt Service	2,070,235	551,549	400,000	495,000	495,000
Contingency	0	0	671,000	1,172,593	1,172,593
Total Expenditures	14,058,463	13,117,495	17,315,746	12,591,569	12,591,569
Resources					
Budgeted Beginning Fund Balance	911,074	0	0	0	0
Charges for Services	0	(8)	0	0	0
Intergovernmental Revenues	10,675,831	12,609,557	17,315,746	11,527,569	11,527,569
Fund Transfers - Revenue	0	20,716	0	0	0
Bond and Note Proceeds	2,450,618	0	0	1,064,000	1,064,000
Miscellaneous Sources	20,940	9,308	0	0	0
Total Resources	14,058,463	12,639,573	17,315,746	12,591,569	12,591,569

HOME GRANT FUND

FUND OVERVIEW

The HOME program is a federal entitlement program of the United States Department of Housing and Urban Development. The purpose of the grant is to assist local governments with the development of affordable housing.

Portland HOME Consortium

The Portland HOME Consortium consists of the City of Portland, the City of Gresham, and Multnomah County. Portland is the lead partner of the consortium and is responsible for receiving and administering the HOME grant.

Structure

The HOME Fund is reimbursed by the federal government for actual expenditures less program income. Since requests for reimbursement cannot exceed expenditures less program income, the fund will not have an ending balance. The bureau processes HOME loan activity directly. This includes processing loan disbursements, recording loan receivables and receipting program income associated with loan repayments.

Carryover

Entitlement appropriations remaining at the end of the fiscal year are carried over in the fall supplemental budget process of the following fiscal year. The supplemental budget includes obligated carryover, appropriation for projects that have been authorized and budgeted in the prior year, and carryover appropriation for expanded projects or new requests.

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SIGNIFICANT CHANGES FROM PRIOR YEAR

Entitlement

PHB is allocating 28% less in federal entitlement funding for the FY 2012-13 Requested Budget than it did in the FY 2011-12 Adopted. This is due to the federal government passing a budget that significantly cuts domestic discretionary spending.

Summary of Fund Budget

	FY 2009-10 Year-End Actuals	FY 2010-11 Year-End Actuals	FY 2011-12 Revised Budget	FY 2012-13 Requested Without DP's	FY 2012-13 Requested Budget
HOME Grant Fund					
Expenditures					
Unappropriated Fund Balance	114,040	0	0	0	0
Personal Services	368,931	363,476	384,077	362,300	362,300
External Materials and Services	5,980,965	4,768,223	8,241,940	5,214,172	5,214,172
Debt Service	1,867,649	0	0	0	0
Contingency	0	0	1,231,919	733,582	733,582
Total Expenditures	8,331,585	5,131,700	9,857,936	6,310,054	6,310,054
Resources					
Budgeted Beginning Fund Balance	(351,530)	0	0	0	0
Charges for Services	0	42	0	0	0
Intergovernmental Revenues	6,815,466	6,016,099	9,857,936	5,984,554	5,984,554
Bond and Note Proceeds	1,867,649	0	0	325,500	325,500
Miscellaneous Sources	0	443	0	0	0
Total Resources	8,331,585	6,016,584	9,857,936	6,310,054	6,310,054

TAX INCREMENT FINANCING REIMBURSEMENT FUND

FUND OVERVIEW

Structure

The Tax Increment Financing (TIF) Reimbursement Fund accounts for the reimbursement of housing-related costs that are funded from tax increment proceeds in the various Portland Development Commission (PDC) urban renewal areas. Eligible costs will be incurred by the Portland Housing Bureau (PHB) for each individual urban renewal area, and then reimbursed by PDC. The bureau processes loan activity directly. This includes processing loan disbursements, recording loan receivables and receipting program income associated with loan repayments. TIF affordable housing program income is netted from TIF reimbursements from PDC.

Carryover

Appropriations remaining at the end of the fiscal year are carried over in the fall supplemental budget process of the following fiscal year. The supplemental budget includes obligated carryover, appropriation for projects that have been authorized and budgeted in the prior year, and carryover appropriation for expanded projects or new requests.

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SIGNIFICANT CHANGES FROM PRIOR YEAR

30% Set Aside Policy Renewal

In October 2011, Council passed the renewal of the 30% TIF Set Aside policy. Updates were made to the calculation of the set aside funds from expenditure based to revenue based using a blended methodology that includes actual expenditures from 2006-2012 and forecasted bond revenue from 2012 – 2015. Program income now remains with the agency where it was generated and staffing and overhead costs are included within Set Aside calculations.

Decline in TIF Resources

Due to the combined impact of expiring urban renewal districts and growth in property values that is weaker than previously forecasted, PHB is projecting a decline in available TIF resources for affordable housing over the next five years.

Summary of Fund Budget

	FY 2009-10 Year-End Actuals	FY 2010-11 Year-End Actuals	FY 2011-12 Revised Budget	FY 2012-13 Requested Without DP's	FY 2012-13 Requested Budget
Tax Increment Financing Reimbursement Fund					
Expenditures					
Unappropriated Fund Balance	347,833	0	0	0	0
Personal Services	277,055	2,097,702	1,956,074	1,772,547	1,772,547
External Materials and Services	110,032	33,805,471	64,047,562	42,142,439	42,142,439
Internal Materials and Services	458,090	1,450,123	1,034,895	702,234	702,234
Capital Outlay	0	0	1,563,882	0	0
Fund Transfers - Expense	0	0	73,744	584,235	584,235
Contingency	0	0	0	590,364	590,364
Total Expenditures	1,193,009	37,353,295	68,676,157	45,791,819	45,791,819
Resources					
Budgeted Beginning Fund Balance	0	0	119,685	3,554,826	3,554,826
Charges for Services	0	31,776	0	0	0
Intergovernmental Revenues	849,999	30,406,693	62,523,828	38,554,193	38,554,193
Fund Transfers - Revenue	344,143	2,118,572	0	0	0
Bond and Note Proceeds	0	0	0	2,677,800	2,677,800
Miscellaneous Sources	(1,132)	6,739,087	6,032,644	1,005,000	1,005,000
Total Resources	1,193,009	39,296,128	68,676,157	45,791,819	45,791,819

HEADWATERS APARTMENT COMPLEX FUND

FUND OVERVIEW

This fund reflects PHB expenses and revenues for the City-owned Headwaters Apartment complex. The property is managed by PDC through a property management firm. Tenant revenue is collected by PDC (per bond covenants) and the net income after property management and insurance costs is sent to PHB monthly. PHB is responsible for making the semi-annual debt service payments on the bonds sold for the construction of the property with this revenue.

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SIGNIFICANT CHANGES FROM PRIOR YEAR

None.

Summary of Fund Budget

	FY 2009-10	FY 2010-11	FY 2011-12	FY 2012-13	FY 2012-13
	Year-End	Year-End	Revised	Requested	Requested
	Actuals	Actuals	Budget	Without DP's	Budget
Headwaters Apartment Complex Fund					
Expenditures					
External Materials and Services	0	729	25,552	53,993	53,993
Debt Service	0	775,294	786,748	797,086	797,086
Fund Transfers - Expense	0	0	1,828	8,921	8,921
Total Expenditures	0	776,023	814,128	860,000	860,000
Resources					
Intergovernmental Revenues	0	1,060,568	814,128	860,000	860,000
Miscellaneous Sources	0	(286)	0	0	0
Total Resources	0	1,060,283	814,128	860,000	860,000